




miami valley

FILE COPY 92-266

FCC Complaint
Page #2

In a recent letter to FCC Chairman Alfred C. Sikes (copy attached), Senators Hollings, Inouye, Gordon and Danforth, and Representatives Markey and Dingell said "In what appears to be an attempt to evade the law, many cable companies are raising rates before the FCC's rate regulations are in place."

Clearly, Continental is one of these companies. The letter to Chairman Sikes goes on to point out that the FCC has authority under the 1992 Cable Act to order rate rollbacks and to take action to prevent cable operators from evading rate



COALITION CITIES SUPPORTING FCC COMPLAINT

CITY: Miamishaw, Ohio
BY: Richard R. Blush
TITLE: Mayor

CITY: Beavercreek, OH
BY: Gerald Petrak
TITLE: Mayor

CITY: Fairborn Ohio
BY: Nancy A. Seward
TITLE: City Council

CITY: West Carrollton Ohio
BY: Maxine Hilman
TITLE: Mayor

CITY: HUBER HEIGHTS
BY: John C. ...
TITLE: MAYOR

CITY: XENIA
BY: David G. Spahr
TITLE: City Manager

CITY: Belbrook
BY: Nedra Brown
TITLE: Councilmember

CITY: Pittsburg
BY: Dick Dask
TITLE: Mayor

CITY: Union
BY: Robert Packard
TITLE: Mayor

COALITION CITIES SUPPORTING FCC COMPLAINT

CITY: Englewood
BY: Ed Kemper
TITLE: Mayor

CITY: Centerville
BY: Shirley E. Weir
TITLE: MAYOR

CITY: Oakwood
BY: Judy Cook
TITLE: Council member

CITY: GERMANTOWN
BY: Edward L. Schwabrow
TITLE: VILLAGE MANAGER

CITY: * CITY OF VANDALIA
BY: _____
TITLE: _____

CITY: * CITY OF TROTWOOD
BY: _____
TITLE: _____

CITY: * CITY OF NEW CARLISLE
BY: _____
TITLE: _____

CITY: * CITY OF MORaine
BY: _____
TITLE: _____

CITY: * CITY OF SPRINGBORO
BY: _____
TITLE: _____

*MEMBER OF COALITION BUT UNAVAILABLE FOR SIGNATURE



Continental
Cablevision

December 30, 1992

Ms. Nedra Brown
Chairwoman
Miami Valley Cable Council
1195 East Alex-Bell Road
Centerville, OH 45459

Dear Ms. Brown:

On October 5, 1992, the Congress of the United States enacted
The 1992 Cable Act. This legislation will affect many facets

Additional Outlets: Our additional outlet rate will be reduced by \$2.45 or 50%, to a \$2.50 monthly rate.

Set Top Converter: Historically, we have not charged a monthly service fee for set-top converters. We have chosen to continue to waive this fee in the Greater Dayton system at this time.

Broadcast Basic: (Broadcast and Access Channels 2 thru 22) There will be an increase in our broadcast basic service of \$1.20 to \$8.95 per month.

Satellite Service: (All Non-premium Cable Satellite Channels) The rate for satellite service will decrease by \$.65 to \$13.55 per month.

Choice Package: (Broadcast Basic and Satellite Service) The price of the combination of these two tiers of service will be uniformly set at \$22.50 throughout the Greater Dayton system. This new rate represents an

As depicted in the attached chart, certain rates have been increased to offset the rate decreases in additional outlets and pay channels, as well as help meet rising operating expenses for 1993. Although these changes will cause some customers to experience increases in their monthly bill, we expect that approximately 28% or over 44,000 of our customers will experience a reduction in their monthly service charge. In total these rate changes will decrease our average monthly subscriber bill by 1.2%. The franchise fee pass thru causes a 3.8% increase, which when combined equates to a increase in an average subscriber bill of 2.6%.

In spite of continuing economic uncertainty and the rising cost of operating our cable system, Continental Cablevision remains committed to our customers, to our community, and to excellence in customer service. Our well-trained and dedicated staff remains ready to provide our customers with the finest service in the business.

I would be happy to respond to any questions you may receive about these changes from your constituents. As always, please call me if you have any questions.

Sincerely,



Ronald J. Testa Jr.
Director of Corporate Affairs

1993 RATE ADJUSTMENT PER SUBSCRIBER ANALYSIS

<u>Service</u>	<u>Per Subscriber Variance</u>
Basic Broadcast Service:	\$.03
Basic/Satellite Choice Package:	.66
First Premium Service:	(.08)
Additional Premium Service:	(.08)
Additional Outlets:	(.89)
Average Increase Per Subscriber: (Weighted)	\$ (.36)
Percentage per Average Sub Bill:	(1.20) %
Franchise Fee Pass Thru	3.80 %
Net Average Increase/Subscriber	2.6 %

FRANCHISE NUMBER:
12/22/92

1

Kettering (All Miami Valley Cable Council cities)*

Services	Current Rate*	New Rate	Net Change	5% Franchise Fee	New Rate * Total	% * Increase
BASIC BROADCAST (BB)	\$7.75	\$8.95	\$1.20	\$0.45	\$9.40	+21.3
SATELLITE SERVICE (SS)	\$14.20	\$13.55	(\$0.65)	\$0.68	\$14.23	+ .002
Total (BB/SS)	\$21.95	\$22.50	\$0.55	\$1.13	\$23.63	+ 7.65
ADDITIONAL OUTLET COST	\$4.95	\$2.50	(\$2.45)	\$0.13	\$2.63	-46.9
SET TOP CONVERTER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
WIRELESS REMOTE	\$3.50	\$3.50	\$0.00	\$0.18	\$3.68	+ 5.1
1 PAY SERVICE	\$10.95	\$10.75	(\$0.20)	\$0.54	\$11.29	+ 3.1
2 PAY SERVICES	\$17.90	\$17.70	(\$0.20)	\$0.89	\$18.59	+ 3.9
3 PAY SERVICES	\$24.85	\$24.65	(\$0.20)	\$1.23	\$25.88	+ 4.1
4 PAY SERVICES	\$30.80	\$30.60	(\$0.20)	\$1.53	\$32.13	+ 4.3

* Includes Franchise Fee

As of 11-30-92

Total Number of Subscribers	18,618
% with Additional Outlets	26.76%
% with Pay Services	38.53%

*Added by Miami Valley Cable Council

CURRENT SERVICE CHARGES

DESCRIPTION OF SERVICE	CURRENT RATES	NEW RATES *
INSTALLATION		
- CABLE IN - PRIMARY OUTLET	15.00	N/A
- NO CABLE - PRIMARY OUTLET	50.00	N/A
- LIMITED SERVICE-BASIC BROADCAST	N/A	30.00
- CHOICE PACKAGE-BASIC BROADCAST-SATELLITE	N/A	20.00
- CHOICE PACKAGE & 1 PAY	N/A	10.00
- CHOICE PACKAGE & 2 OR MORE PAY	N/A	5.00
- APT/CONDOS: ADD/MOVE OUTLETS		
FIRST HOUR	30.00	
EACH 15 MINUTES THEREAFTER	7.00	
- ADDITIONAL SERVICES REQUESTED DURING INSTALLATION:		
MOVE PRIMARY OUTLET	N/C	
NON-WIRED ADDITIONAL OUTLETS	N/C	
NON-WIRED ADDITIONAL OUTLETS	30.00	
WIRED OUTLETS (NO LIMIT)	N/C	
PREMIUM SERVICES	N/C	
VCR HOOK-UP	N/C	
PARENTAL CONTROL	N/C	
A/B SWITCH	N/C	
CHANNEL TRAP	N/C	
WALL FISH (EACH)	20.00	
TRANSFER-MOVE WITHIN DISTRICT	15.00	

ERNEST F. HOLLINGS, SOUTH CAROLINA, CHAIRMAN

DAVID H. ROUVE, KANSAS
WILLIAM H. FORB, KENTUCKY
JAMES H. EXON, NEBRASKA
BOB C. PACKWOOD, OREGON
LARRY PRESSLER, SOUTH DAKOTA
TED STEVENS, ALASKA
ROBERT W. EASTEN, JR., WISCONSIN
JOHN MCCAIN, ARIZONA
CONRAD BURNS, MONTANA
SLADE GORTON, WASHINGTON
TRENT LOTT, MISSISSIPPI

JOHN C. DANFORTH, MISSOURI
BOB PACKWOOD, OREGON
LARRY PRESSLER, SOUTH DAKOTA
TED STEVENS, ALASKA
ROBERT W. EASTEN, JR., WISCONSIN
JOHN MCCAIN, ARIZONA
CONRAD BURNS, MONTANA
SLADE GORTON, WASHINGTON
TRENT LOTT, MISSISSIPPI

KEVIN G. CURTIN, CHIEF COUNSEL AND STAFF DIRECTOR
JONATHAN CHAMBERS, REPUBLICAN STAFF DIRECTOR

United States Senate

COMMITTEE ON COMMERCE, SCIENCE,
AND TRANSPORTATION

WASHINGTON, DC 20510-6125

December 9, 1992

5

The Honorable Alfred C. Sikes
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

RECEIVED
LEGISLATIVE AFFAIRS

Dear Al:

The Cable Television Consumer Protection and Competition Act of 1992, which became law on October 5, 1992, has as its primary goal the protection of consumers against unreasonable cable rates. In what appears to be an attempt to evade the law, many cable companies are raising rates before the FCC's rate regulations are in place. Some cable operators have even asserted that their rate increases are a result of the Cable Act.

Those assertions are false. Nothing in the Act requires rate increases. To the contrary, the Act gives the FCC and local governments new authority to regulate rates.

The FCC also has authority under the Cable Act to order rate rollbacks and to take action to prevent cable operators from evading the rate regulation provisions of the law. We are writing to you to underscore that the FCC's enforcement of the law must protect consumers against unreasonable rates. We urge you to pay particular attention to those cable operators who rush through rate increases in anticipation of rate regulation.



Sincerely,


Sen. Ernest F. Hollings


Sen. John C. Danforth


Sen. Daniel K. Inouye


Sen. Slade Gorton


Rep. Edward J. Markey

Rep. John Dingell



February 1, 1993

**Continental
Cablevision®**

Dear Subscriber:

Continental Cablevision will be restructuring all subscriber rates effective April 1, 1993. Our central purpose of the rate restructure is to introduce a better measure of uniformity in rates for cable television service across our 60 community service area and to adjust rates to be what we believe is expected by the 1992 Cable Act.

As a result of the changes in this rate restructure, your new monthly cable statement may be higher, lower, or stay the same depending on your current level of cable service. However, the overall rate change will be a 2.6% percent increase in the average monthly cable bill which offsets continued increases in the cost of cable programming and system operations.

Continental's new monthly billing system will allow us to provide each subscriber with an itemized break out of their cable service each month providing you with complete information about the services for which you are paying. Among the costs that will now be itemized, will be the franchise fee in your community which is what we pay for the use of public rights-of-way. In the past, franchise fees have been included as a part of the cable service product price. While these franchise fees have not increased this year, they will now be shown as a line item on the new bill.

The following chart explains the restructured rates for your community:

<u>Service</u>	<u>New Rate Structure*</u>
Limited Service (Broadcast Tier)	\$8.95
Satellite Service (only with Limited Service)	13.55
Choice Package (includes Limited & Satellite Service)	22.50
Additional Outlet	2.50
Wireless Remote Converter	3.50
First Premium Service	10.75
Two-Premium Package**	17.70
Three-Premium Package**	24.65
Four-Premium Package**	30.60
Service Call/Repair	Free

* The restructured rates are subject to applicable franchise fees, which vary from community to community area depending on the terms of the specific franchise.

** A la carte rates also available.

We will continue to work hard to provide you with quality cable television service. Today, your support has made it possible to bring you a choice of 36 channels of information and entertainment into your home - 24 hours a day. Additionally, we have invested in our service/repair department to offer you 24 hour telephone contact so, no matter when you call, you will speak with a Continental employee.

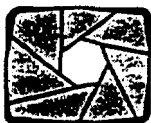
As you are aware, we are currently rebuilding our cable systems and look to 1995 when cable service will offer choices of up to 78 channels of advanced cable television technology.

"People, Programming and Technology"... Continental Cablevision is proud to be your cable television provider.

Sincerely,

Richard S. Hutchinson

Vice President & District Manager



miami valley
cable council

A municipal communications group

1195 E. Alex-Bell Road / Centerville, Ohio 45459 / Phone: (513) 438-8887 Fax: 438-8569

February 18, 1993

Mr. Richard Hutchinson
Vice President and District Manager
Continental Cablevision
90 Compark
Centerville, OH 45459

Dear Dick:

The Cable Council, at the close of its meeting last night, instructed me to formally request that Continental Cablevision of Greater Dayton rollback the rate restructuring, adjustments and increases scheduled for April 1, 1993, to those rates in effect on October 2, 1992. The Council believes the increases are not justified and are ill-timed.

As I'm sure you are aware, there is a growing movement across the country asking the FCC to force a rollback of all rate increases made after October 2 - the date of passage of the 1992 Cable Act. We support that movement, but prefer you rollback the increases on your own.

We would appreciate a "yes" or "no" response to our request for this rollback of the increases by 5:00 p.m., Thursday, February 25, so if the response is negative, we may proceed with appropriate congressional or FCC actions.

Sincerely,

Robert F. Walker
Manager

c: Cable Council



Continental
Cablevision®

February 25, 1993

Mr. Bob Walker
Miami Valley Cable Council
1195 East Alex Bell Road
Centerville, OH 45459

Dear Mr. Walker:

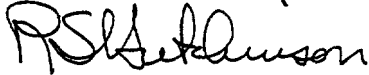
We honestly do not understand the basis for your letter of February 18, 1993, or for your "belief" that Continental's rate restructuring is "not justified and ...ill-timed." As we have previously explained to you, Continental spent

Mr. Bob Walker
page 2

As I mentioned, we have worked very hard to fashion fair and reasonable rates, and remain committed to follow whatever final result emerges from the FCC when it completes its rate rulemakings. We do not know of any basis for your conclusion that the rates are unjustified. To our knowledge, you have not conducted any analysis of rates, nor have had your attorney contact ours.

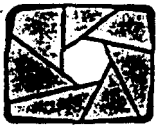
Under the circumstances, we plan to go forward with the adjustments we have previously mentioned.

Sincerely,

A handwritten signature in dark ink, appearing to read "RSH Hutchinson". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard S. Hutchinson
Vice President/District Manager
Continental Cablevision of Greater Dayton

RSH:tt



miami valley
cable council

1195 E. Alex-Bell Road / Centerville, Ohio 45459 / Phone: (513) 438-8887 Fax: 438-8569

A municipal communications group

February 26, 1993

Richard Hutchinson
Vice President/District Manager
Continental Cablevision
90 Compark Road
Centerville, Ohio 45459

Dear Dick:

Thank you for your prompt response to my letter seeking a rollback of the rate increases Continental has scheduled for April 1.

Since you say you don't understand the basis for my February 18 letter, let me make our position as succinctly and forthrightly as I can.

First, we have never objected to the itemization of franchise fees. That is not an issue. You have every right to itemize. We have objected to how you itemize franchise fees, and our position on that technical issue has been made clear to you and to the FCC.

Second, we object to your rate restructuring and increases, and the timing of those changes. Your February 25 letter again states that your efforts are "...to be in compliance with the new FCC rules effective April 3, 1993." That is exactly our point, how can you be in compliance with rules that will not be issued until April 3, 1993? We view this as a smoke screen to cover actions designed to anticipate rate regulation.

Third, we believe it would be in our citizens (your subscribers) best interest if your scheduled rate increases were rolled back to those rates in effect when the 1992 Cable Act was passed. The FCC has the authority to ask for rollbacks, and we intend to pursue such an action. A rollback would allow the FCC to issue its rate regulation rules and ask for you to justify your proposed rate changes publicly according to those rules.

Sincerely,

Robert F. Walker
Manager

RFW:r
c: Cable Council

History of Continental Cablevision Rate Increases

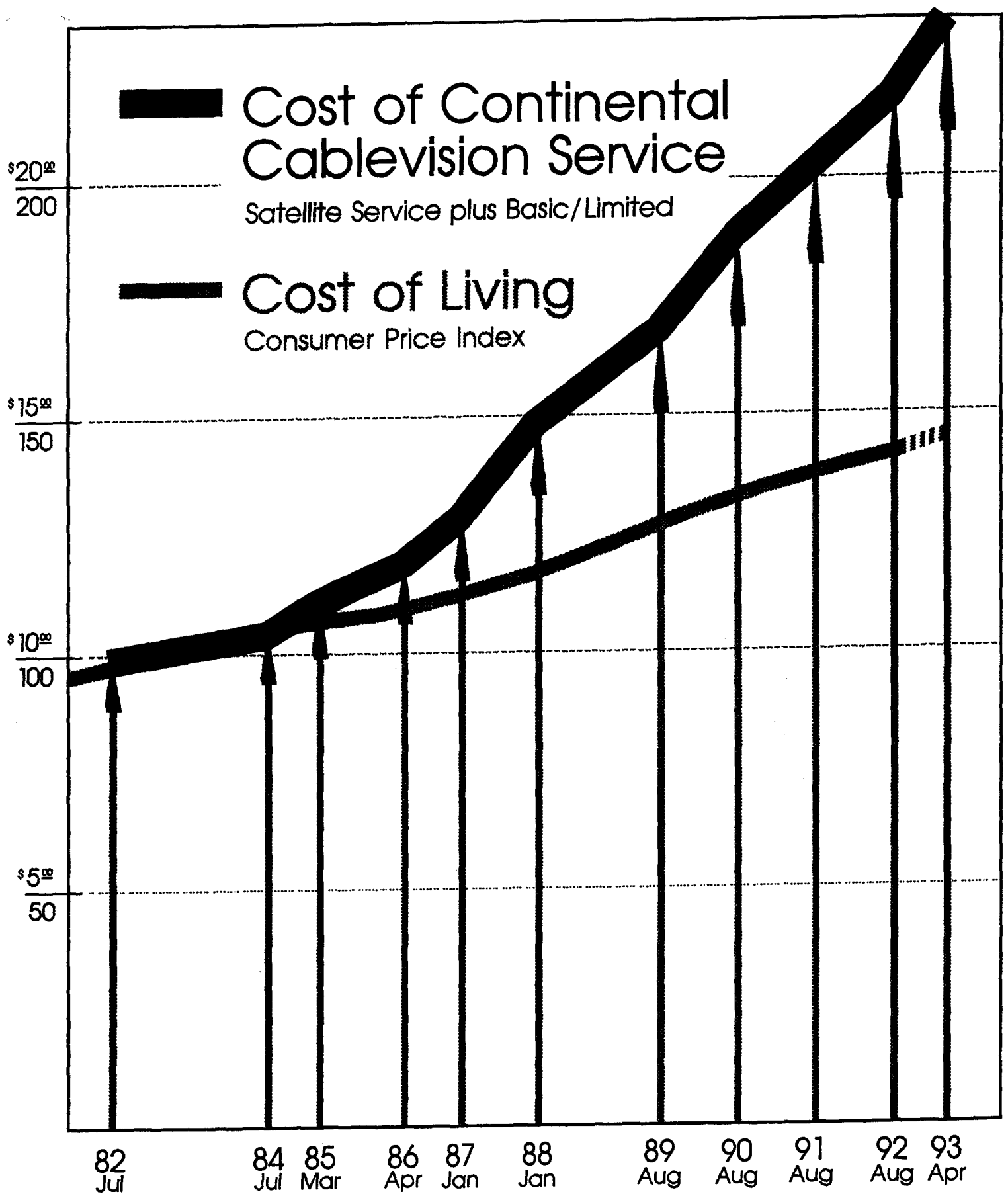
Satellite Service plus Basic/Limited

Price Increase (13.4%)	August 1, '89
Price Increase (11.8%)	August 1, '90
Price Increase (7.9%)	August 1, '91
Price Increase (7.3%)	August 1, '92
Price Increase (7.6%)	April 1, '93

Congress Passes Cable Bill	Oct 2, '92
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FCC Rate Regulations Due	Apr 3, '93
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Prepared by Miami Valley Cable Council



Prepared by Miami Valley Cable Council

Cost of
Continental
Cablevision
Basic/Limited
Service

\$2.50

March
1988

\$7.75

January
1992

\$9.40

April
1993

Prepared by Miami Valley Cable Council